

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 4/1/2014	(3) CONTACT/PHONE Trevor Keith, Energy Program Manager/805-781-1431	
(4) SUBJECT Request to approve the emPower agreements (Clerk's File) for pass-through funding (\$579,043) from California Energy Commission and Southern California Gas Company between County of Santa Barbara and County of San Luis Obispo for the emPower Energy Efficiency Program. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors: <div style="margin-left: 20px;"> 1. Approve, and direct that the Chairperson sign the emPower Agreement to deliver the emPower Energy Efficiency Program with Southern California Gas Company funding (\$479,043) between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File). 2. Approve, and direct that the Chairperson sign the emPower Agreement to deliver the emPower Energy Efficiency Program with California Energy Commission funding (\$100,000) between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File). </div>			
(6) FUNDING SOURCE(S) CEC and PUC Grants	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30 Min.</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Trevor Keith, Energy Program Manager

VIA: Wes Drysdale, Administrative Services Manager

DATE: 4/1/2014

SUBJECT: Request to approve the emPower agreements (Clerk's File) for pass-through funding (\$579,043) from California Energy Commission and Southern California Gas Company between County of Santa Barbara and County of San Luis Obispo for the emPower Energy Efficiency Program. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Approve, and direct that the Chairperson sign the emPower Agreement to deliver the emPower Energy Efficiency Program with Southern California Gas Company funding between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File).
2. Approve, and direct that the Chairperson sign the emPower Agreement to deliver the emPower Energy Efficiency Program with California Energy Commission funding between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File).

DISCUSSION

Background

emPower was developed by the County of Santa Barbara to help homeowners countywide overcome obstacles to making energy saving improvements to their homes. By making home upgrade projects easier and more affordable through incentives, financing, qualified contractors and expert energy advice, emPower helps homeowners be more comfortable in their homes and lower utility bills. emPower teamed up with the statewide Energy Upgrade California and California Solar Initiative programs, which allow homeowners to take advantage of high-dollar utility rebates. The program also partnered with local Credit Unions in Santa Barbara County to offer unsecured loans with low rates and flexible terms of loan repayment in order to achieve manageable monthly costs.

Since emPower launched in late 2011, a broad range of program start up activities have attracted nearly 4,000 individual homeowners in Santa Barbara County to actively engage with program services, leading to energy efficiency improvements in approximately 300 homes as of February 2014. Completed home energy projects have resulted in approximately \$2.5 million in project activity for participating contractors, as well as \$1,000,000 in loan applications for participating lenders in Santa Barbara County.

On June 25, 2013, the Santa Barbara County Board of Supervisors approved two contracts with Southern California Gas Company and the County of Los Angeles totaling \$5.25 million to continue the emPower program and expand the service model to the Tri-County region (which includes Ventura, Santa Barbara and San Luis Obispo Counties). The funding for these two contracts was provided by the California Energy Commission (CEC) through Los Angeles County (\$1.55 million through March 31, 2017) and the Public Utilities Commission (PUC) through Southern California Gas Company (\$3.7 million through March 31, 2015 unless extended) in alignment with the State's goal of lowering energy use in buildings. These

two funding contracts support the expansion of existing emPower services to Ventura and San Luis Obispo Counties, including access to emPower financing and funding to Ventura and San Luis Obispo Counties for certain program delivery activities.

The tri-county model is intended to maximize current programmatic and marketing infrastructure (e.g., financing agreements, workflows, branding, advertising, etc.), while minimizing administrative redundancies. The plan was designed to attract more program participation both from regional building professionals as well as approximately 135,000 owners of single family, owner-occupied homes over 25 years old throughout the tri-county region. This model is expected to help emPower generate greater local desired outcomes related to traditional energy consumption and job creation.

emPower Agreements

The agreements will allow San Luis Obispo County to offer the emPower program. Santa Barbara County emPower staff will centrally administer and oversee program operations and expansion, including exclusive administration of the emPower loans, while funding for Ventura and San Luis Obispo Counties will support specific and limited staffing and operating costs associated with local program delivery, including outreach, contractor recruitment and customer service. The emPower program will provide funding to cover all staff costs incurred in administering the program. The Planning and Building Department is preparing a staffing plan to support the needs of the program. A budget adjustment request and a request to amend the Department's Position Allocation List by adding certain positions will be presented to your Board within the next two months.

Between the two funding sources, Santa Barbara County has budgeted a maximum of \$2 million to establish and operate segregated loan loss reserve accounts for each of the three Counties, which is expected to leverage private lender capital at the current ratio of 20:1 negotiated in Santa Barbara County's agreement with Coast Hills Federal Credit Union.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contracts as to legal form and content.

FINANCIAL CONSIDERATIONS

The emPower program will provide funding to cover all staff costs incurred in administering the program. Associated budgets by spending categories and funding source are summarized in the table below and further described within the scope of work and budget in each emPower Agreement.

Funding Sources	Ventura County	SLO County*	Total Pass Through
PUC Subrecipient Agreement: Eligible Spending			
Administration	\$ 37,362	\$ 37,508	\$ 74,870
Workforce Education and Training	\$ 75,123	\$ 126,320	\$ 201,443
Marketing Education and Outreach	\$ 293,327	\$ 292,560	\$ 585,887
Loan Loss Reserve Credit Enhancement Implementation	\$ 22,805	\$ 22,655	\$ 45,460
Total PUC Agreement Pass Through	\$ 428,617	\$ 479,043	\$ 907,660
CEC Subrecipient Agreement: Eligible Spending			
Administration	\$ 90,000	\$ 90,000	\$ 180,000
Marketing	\$ 10,000	\$ 10,000	\$ 20,000
Total CEC Agreement Pass Through	\$ 100,000	\$ 100,000	\$ 200,000
Total Pass Through	\$ 528,617	\$ 579,043	\$ 1,107,660

** The funding provided to San Luis Obispo County is greater because it has an existing relationship with a building professional training provider. Santa Barbara County will centrally administer building professional trainings for both Santa Barbara County and Ventura County through its existing provider.*

The Planning and Building Department is preparing a staffing plan to support the needs of the program. This staffing plan will be coming before your Board within the next two months and will include both a FY2013-14 budget adjustment request and a request to amend the Department's Position Allocation List by adding certain positions.

RESULTS

The intended result of this request is to improve energy efficiency in San Luis Obispo County homes. The emPower Program is consistent with the County communitywide results of "A Livable Community" and "A Well Governed Community" by providing energy retrofit programs to help meet our future energy demands.

ATTACHMENTS

- Exhibit A. emPower Agreement to deliver the emPower Energy Efficiency Program with Southern California Gas Company funding between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File)
- Exhibit B. emPower Agreement to deliver the emPower Energy Efficiency Program with California Energy Commission funding between the County of Santa Barbara and the County of San Luis Obispo (Clerk's File)